

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In Re:

Yellow Corporation, *et al.*,
Debtors.

Case No. 23-11069-CTG

Chapter 11 Proceedings
(Jointly Administered)

Hearing Date: September 15, 2023
Hearing Time: 11:30 a.m. (ET)

[Relates to Docket No. 16]

MARICOPA COUNTY TREASURER’S OBJECTION TO MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POSTPETITION FINANCING AND (B) UTILIZE CASH COLLATERAL, (II) GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (III) MODIFYING THE AUTOMATIC STAY , (IV) AUTHORIZING THE DEBTORS TO USE UST CASH COLLATERAL, (V) GRANTING ADEQUATE PROTECTION, (VI) SCHEDULING A FINAL HEARING, AND (VII) GRANTING RELATED RELIEF

Maricopa County Treasurer (“MCT”), a secured tax lien creditor, by and through its undersigned counsel, hereby objects to the *Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay , (IV) Authorizing the Debtors to Use UST Cash Collateral, (V) Granting Adequate Protection, (VI) Scheduling a Final Hearing, and (VII) Granting Related Relief* (DE 16) (the “Motion”). MCT objects to the Motion to the extent that it seeks to prime any secured real or personal property tax liens of Maricopa County and requests adequate protection of its tax liens.

MCT’s Claims

On August 28, 2023, MCT filed a secured Proof of Claim (the “MCT RPTX Claim”) in the amount of \$56,095.82 representing the 2023 real property taxes on parcel 105-45-

001N. Interest accrues, or will accrue, at the statutory rate of 16% per year simple, if not timely paid, until the taxes and interest are paid in full. See 11 U.S.C. § 511 and A.R.S. § 42-18053.

On August 28, 2023, MCT filed a secured Proof of Claim (the “MCT PPTX Claim”) in the amount of \$219.85 representing 2007 personal property taxes on parcel 900-77-249. Interest accrues at the statutory rate of 16% per year simple until the taxes and interest are paid in full. See 11 U.S.C. § 511 and A.R.S. § 42-18053.

Objections

MCT objects to the Motion to the extent that it seeks to prime MCT’s tax liens on Debtors’ real and personal property located in Maricopa County, Arizona. Arizona law provides the following.

- a. The personal property tax liens attached on January 1 of the respective tax year and the taxes are not discharged until the taxes and interest are paid in full or title to the property vests in a purchaser of the property for taxes. A.R.S. §§ 42-17153 and 42-19106. Accordingly, the liens for real and personal property taxes encumbering the property cannot be removed until the property taxes and interest are paid in full.
- b. The tax liens are “prior and superior to any other liens of every kind and description regardless of when another lien attached.” A.R.S. §§ 42-19106 and 42-17153.
- c. “A tax that is levied against personal property...is a personal liability of the property owner, in addition to being a lien against the property.” A.R.S. § 42-17153(B).
- d. “The tax on personal property is a debt against the owner to whom the property

1 is assessed and against the owner's successors and assigns." A.R.S. §
2 19117(A).

3 e. Interest accrues at the statutory rate of 16% per annum until the taxes are paid
4 in full. 11 U.S.C. § 511 and A.R.S. § 42-18053.

5 f. The entries made in the county treasurer's tax records are prima facie evidence
6 of the facts stated in them. A.R.S. § 42-11007.

7 WHEREFORE, MCT objects to the Motion and Interim Order to the extent they
8 seek to prime any MCT tax liens and MCT requests adequate protection by having the
9 tax liens remain attached to the real and personal property with the same validity and
10 priority as the tax liens had on the Petition Date until the taxes and interest are paid in
11 full.

12 RESPECTFULLY SUBMITTED this 28th day of August, 2023.

13
14 RACHEL H. MITCHELL
MARICOPA COUNTY ATTORNEY

15 BY: /s/ Peter Muthig
16 PETER MUTHIG
Deputy County Attorney
17 *Attorney for Maricopa County Treasurer*

18 ORIGINAL of the foregoing E-FILED
19 this 28th day of August, 2023, with:

20 Clerk, United States Bankruptcy Court
District of Delaware
21 824 Market Street, 3rd Floor
Wilmington, DE 19801

22 ...

23 ...

24 ...

1 COPY of the foregoing mailed or e-mailed,
2 this 28th day of August, 2023, to:

3 Jane M. Leamy
4 Richard L. Schepacarter
5 Office of the U.S. Trustee
6 844 King Street, Suite 2207
7 Wilmington, DE 19801
8 Email: jane.m.leafy@usdoj.gov
9 Email: richard.schepacarter@usdoj.gov

10 Matthew A. Doheny
11 Leah Dawson
12 10990 Roe Avenue
13 Overland Park, KS
14 *Debtors*

15 Whitney C. Fogelberg
16 Patrick J. Nash
17 Kirkland & Ellis LLP
18 300 North LaSalle
19 Chicago, IL 60654
20 Email: whitney.fogelberg@kirkland.com
21 Email: patrick.nash@kirkland.com
22 *Attorneys for Debtors*

23 Allyson B. Smith
24 Aaron Metviner
Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Email: allyson.smith@kirkland.com
Email: aaron.metviner@kirkland.com
Attorneys for Debtors

Laura Davis Jones
Pachulski Stang Ziehl & Jones LLP
919 N. Market Street, 17th Floor
Wilmington, DE 19801
Email: ljones@pszilaw.com
Attorneys for Debtors

...

...

1 Peter J. Keane
2 Pachulski Stang Young & Jones LLP
3 919 N. Market Street, 17th Floor
4 Wilmington, DE 19801
5 Email: pkeane@pszjlaw.com
6 *Attorneys for Debtors*

7 Joshua M. Spencer
8 Holland & Knight LLP
9 150 N. Riverside Plaza, Suite 2700
10 Chicago, IL 60606
11 Email: Joshua.spencer@hklaw.com
12 *Counsel to the DIP Agent*

13 Dennis F. Dunne
14 Matthew L. Brod
15 Milbank LLP
16 55 Hudson Yards
17 New York, NY 100001
18 Email:
19 *Counsel to Apollo Capital Management L.P.*

20 Scott Greissman
21 Elizabeth Feld
22 Andrew Zatz
23 White & Case LLP
24 1221 Avenue of the Americas
New York, NY 10020
Email: sgreissman@whitecase.com
Email: efeld@whitecase.com
Email: azatz@whitecase.com
Counsel to Beal Bank USA

Kevin Simard
Seth Mennillo
Choate, Hall & Stewart LLP
Two International Place
Boston, MA 02110
Email: ksimard@choate.com
Email: smennillo@choate.com
Counsel to Prepetition ABL Agent

Ronald J. Silverman
Christopher R. Bryant
Hogan Lovells US LLP
390 Madison Avenue
New York, NY 10017
Email: Ronald.silverman@hoganlovells.com
Email: chris.bryant@hoganlovells.com
Counsel to Prepetition UST
Tranche A Agent and Tranche B Agent

/s/ Marcy Delgado